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High court eases way for Rewald to gain freedom

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The Hawaii Supreme Court yesterday made it easier for Ronald Rewald to get out of jail by ruling that his \$200,000 bail does not have to be posted in cash.

The high court said Rewald can be released if others post a bond guaranteeing \$200,000 will be paid should he flee.

According to attorneys, Rewald's friends and supporters can pay a \$20,000 fee to a bondsman who would guarantee the \$200,000. Or, they themselves could put up enough of their own property to back the bond and ensure payment.

Rewald's civil attorney, Robert Smith, acknowledged he has been told some people are willing to put up their own money to help Rewald. Smith later said they "possibly" could come up with enough cash or property, but he didn't know for sure.

Smith declined to identify those persons, but said some are investors who still believe in Rewald.

Should Rewald be released, his criminal attorney, Samuel King Jr., said Rewald doesn't have to live under supervision. King said Rewald could live anywhere here, as long as he shows up for his court hearings.

It was also disclosed during a court hearing yesterday that Rewald contemplated suicide again to obtain money from his life insurance company to pay for legal defense fees.

In addition, Smith said yesterday Rewald will be filing a

claim against the Central Intelligence Agency and "possibly" a lawsuit if the claim is rejected. "In my view, it's the only way investors will get their money back," Smith said in court.

Rewald is being held at Oahu prison pending his trial on theft charges accusing him of stealing from two investors of Bishop, Baldwin, Rewald, Dillingham and Wong, a company that has been put into federal bankruptcy proceedings.

Rewald was arrested after he tried to commit suicide July 29 following an initial report indicating the company was in trouble.

Thus far, more than \$11 million in losses has been claimed by investors, but it is estimated there is only \$2 million left in assets.

Rewald's original bail was set at \$10 million, but reduced by Circuit Judge Robert W.B. Chang to \$200,000 cash on Oct. 24. The high court's ruling yesterday came shortly after Judge Chang affirmed his earlier decision following a hearing during which it was disclosed that Rewald considered another suicide attempt.

City Deputy Prosecutor Art Ross wanted an increase in the bail to \$500,000 because of a letter Smith wrote to Sovereign Life Insurance Co., which held two Rewald policies worth \$3 million.

In the letter dated Sept. 9, Smith wrote that Rewald would kill himself if he could not obtain money for legal fees.

Smith wrote that "suicide is the only way, he (Rewald) feels, that he can provide for his wife and five children. He has con-

firmed to me in certain terms his intention to do so, and I have no doubt whatsoever about his sincerity."

Smith testified he now believes that Rewald would have a difficult time collecting under such policies, which Sovereign is challenging in court.

Rewald is no longer suicidal, Smith said, and now believes the best way to help himself and his family is to contest the theft charges and help the investors get their money.

Smith told Judge Chang that since the federal bankruptcy trustee in charge of Rewald's former company refuses to take any action against the CIA, Rewald will be filing the claim. Smith later declined to elaborate, saying it may involve "classified information." He also declined to say how much will be requested.

Rewald's company provided mail, phone and telex covers for the CIA, according to the bankruptcy trustee's office, and federal Judge Martin Pence has sealed several documents from the company files at the CIA's request.

Pence, however, has said the documents showed Rewald had an inflated view of himself as an undisclosed "associate" of members and former members of the intelligence community.

In affirming the earlier cash bail, Chang said Smith's letter showed the attorney held a "very, very strong conviction" that Rewald would do anything to help his family. Chang said he wasn't convinced Rewald would not either flee or "do anything about his life."

Just moments later, Chang was notified about the high court's ruling. He then modified the bail accordingly.